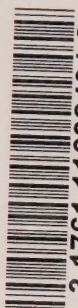


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Canada. Dept. of Regional Industrial  
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News Release







# NEWS RELEASE

DEC 20 1983

contact

S. CROTEAU

(613) 992-1390

For release

IMMEDIATE

subject

## ADJUSTMENTS ENLARGE SCOPE OF INDUSTRIAL AND REGIONAL PROGRAM

OTTAWA, December 1, 1983 -- More small businesses will be eligible for assistance under the Industrial and Regional Development Program because of program adjustments announced today by Industry, Trade and Commerce/Regional Economic Expansion Minister Ed Lumley.

The program, which took effect July 15, makes direct federal assistance available to industry throughout all of Canada. The levels of assistance are based on a four-tier index of census districts. Each tier requires a minimum level of private sector investment by the applicant to be eligible for federal assistance. This requirement has been changed to allow more companies to apply.

The minimum investment required to qualify for assistance under the program has been reduced as follows:

Under the Expansion and Modernization section:

	<u>From</u>	<u>To</u>
Tier I	\$250,000	\$100,000
Tier II	100,000	50,000
Tier III	50,000	25,000
Tier IV	25,000	5,000

Under the Establishment section:

	<u>NA</u>	<u>NA</u>
Tier I	NA	NA
Tier I Special	\$100,000	\$ 50,000
Tier II	100,000	50,000
Tier III	50,000	25,000
Tier IV	25,000	5,000



The criteria for the Tier I Special designation, which allows for IRDP funding of establishment costs in Tier I areas, have been changed. The Tier I Special designation will now be based on the ratio of unemployment insurance beneficiaries to working age population in the census district averaged over a six-month period, rather than the previous criterion of six consecutive months. If the district level is more than one percentage point higher than the national level, the district qualifies for the Tier I Special designation.

A district's designation is based on figures from several sources - Statistics Canada and the Unemployment Insurance Commission. Although there is a time lag of approximately five and a half months before the figures can reflect any need for designation changes, districts that are designated under Tier I Special remain in that designation for one year.

Mr. Lumley said the rationale for averaging over a six-month period rather than using consecutive months was based on an attempt to overcome seasonal unemployment problems.

These adjustments to the IRDP Program now put five new census districts from Tier I into the Tier I Special category: Powell River, Dewdney-Alouette and Peace River-Liard in British Columbia; Flin Flon in Manitoba; and Niagara in Ontario.

Districts already designated under this category are: Bulkley-Nechako, Comox-Strathcona, Fraser-Fort George and Skeena-Queen Charlotte, all in British Columbia; and Algoma District in Ontario.

"These adjustments to the Industrial and Regional Development Program will particularly benefit the small business community in Canada and help to alleviate the unemployment situation in the census areas where the economic climate has deteriorated during the year", Mr. Lumley said.

FOR FURTHER INFORMATION, CONTACT:

The nearest regional office of ITC/REE, or  
S. Croteau (613) 992-1390





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## NEWS RELEASE

Contact

R. LUSSIER (613) 995-3241

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IMMEDIATE

Subject

### CANADIAN MEMBERS APPOINTED TO CANADA/ISRAEL INSTITUTE

OTTAWA, December 8, 1983 -- Four Canadian directors of the Canada/Israel Institute for Industrial Research and Development were announced today by the Hon. Ed Lumley, Minister of Regional Industrial Expansion. The Canadian members are: Mr. Ray Wolfe from Toronto, Chairman and President of The Oshawa Group Limited; Mr. Richard Kroft from Winnipeg, President of Tryton Investment Co. Ltd.; Mr. Steven Dorsey from Montreal, President of Micom Canada Ltd.; and Mr. Dennis De Melto, Director General of DRIE's Office of Industrial Innovation, who will represent the federal government.

The Israeli members appointed to the board of directors by the Minister of Industry and Trade of Israel are: Mr. Avraham Asheri, Director General, Ministry of Industry and Trade; Mr. Arie Lavie, Chief Scientist, Ministry of Industry and Trade; Mr. Rubin Zimmerman, industrialist and banker; and Mr. Israel Asher, Director General, Degem Systems Ltd.

The four Canadian members appointed by the federal government and their Israeli counterparts will work together to promote and facilitate joint industrial research and development projects and the commercial development and marketing of the results of such projects in Canada and Israel.

A Memorandum of Understanding signed between Canada and Israel led to the establishment of the Institute on June 29, 1983, by the Canada/Israel Chamber of Commerce and Industry. Under the agreement, Canada and Israel will each contribute \$200,000 towards the Institute's establishment.



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S. Croteau (613) 992-1390



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## NEWS RELEASE

Contact

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R. LUSSIER (613) 995-3241

Subject

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A Memorandum of Understanding signed between Canada and Israel led to the establishment of the Institute on June 29, 1983, by the Canada/Israel Chamber of Commerce and Industry. Under the agreement, Canada and Israel will each contribute \$200,000 towards the Institute's establishment.

Mr. Lumley emphasized that the Canadian Government nominees to the board of directors were selected in close consultation with the Canada/Israel Chamber of Commerce and Industry, which is the official trustee for Canada and Israel in setting up and operating the Institute.

Although the Institute is a non-profit organization, it is expected to become self-sustaining by earning revenues from royalties, by charging fees for professional services and, in some cases, by taking shares in new companies that become established.

Brief biographies of the Canadian appointees are attached.

FOR FURTHER INFORMATION, CONTACT:

Roland Lussier (613) 995-3241



## BIOGRAPHICAL SUMMARIES OF CANADIAN MEMBERS OF CANADA/ISRAEL INSTITUTE

### Ray Wolfe

Mr. Wolfe, President of The Oshawa Group Limited in Toronto, is also the Honorary Chairman of the Canada/Israel Chamber of Commerce and Industry. He holds directorships for the Bank of Nova Scotia, Canadian Pacific Enterprises, Canadian Pacific Limited, Confederation Life Insurance Company, and the Baycrest Centre for Geriatric Care, among others. He is a member of the Canadian Council for Christians and Jews, Honorary President of Canadian Friends of Haifa University, President of the Canadian Jewish News, Governor of Mount Sinai Hospital and trustee for the Toronto General Hospital Foundation.

### Richard Kroft

Mr. Kroft, President of Tryton Investment Co. Ltd. in Winnipeg, is also Chairman of Controlled Environments Ltd. and President of RHK Management Inc. He holds directorships for Bird Construction Co. Ltd., John A. Flanders Co. Ltd., Lorcon Inc. and the Federal Business Development Bank.

### Steve Dorsey

Mr. Dorsey has been President of Micom Canada Ltd. in Montreal since he founded the manufacturer of word processing systems in 1975. He is also the founder of AES Ltd. and in 1975 developed the first truly software programmable word processing system. An electrical engineer, he attended McGill University, received his degree from M.I.T. and spent a year in graduate research. Before becoming involved in word processing systems, he worked for Canadian Aviation Electronics Ltd.

### Dennis De Melto

Mr. De Melto, Director General of DRIE's Office of Industrial Innovation, joined the Department of Industry, Trade and Commerce in 1981. He has also held positions in the departments of Manpower and Immigration and Consumer and Corporate Affairs and the Economic Council of Canada. Before joining the public service in 1970, he worked as an economist for the Royal Bank and taught various economics courses at McGill University, Sir George Williams and the University of Manitoba. He studied at Georgetown University in Washington, D.C. and received his M.A. and Ph. D. in economics from McGill.









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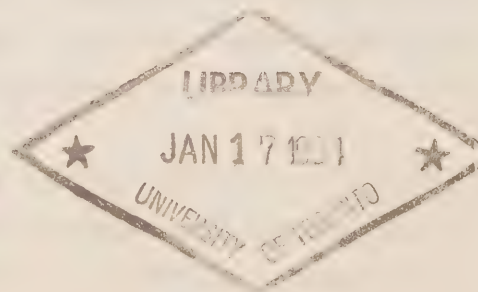
Contact	For release
A. SKAHEN (819) 997-2224	IMMEDIATE

Subject **OCTOBER 1983 CAPITAL INVESTMENT INTENTIONS SURVEY RELEASED**

OTTAWA, December 16, 1983 -- The Canadian business community is more optimistic than it was six months ago but is still cautious of capital spending, according to a survey of 270 large firms undertaken in October by the Department of Industry, Trade and Commerce/Regional Economic Expansion, now the Department of Regional Industrial Expansion.

In announcing today the highlights of the October Survey of Business Capital Investment Intentions of Large Firms, Industry Minister Ed Lumley said the companies responding to the survey report that their real capital spending may decrease by about 7 per cent in 1984 from the 1983 level. A similar survey last April indicated a decrease of about 10 per cent was expected for 1984. The 1983 level declined by about 16 per cent from 1982.

This survey provides an indication of planned investment spending for 1984 of a panel of large firms, based on conditions at the time of the survey. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses. The excess capacity situation and the need for restructuring of company balance sheets continue to contribute to weakness in business investment outlays.





## SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on constant 1983 dollars except where otherwise noted.)

- Responding companies indicate their planned level of spending on new plant and equipment in 1984 will be about \$24 billion, a decrease of about 7 per cent or \$1.7 billion from the 1983 level.
- Capital spending by reporting manufacturing corporations on new plant and equipment in 1984 is expected to be about \$4.8 billion, an 8.5 per cent increase from 1983. A decrease of 24 per cent was experienced in 1983. Within manufacturing, the primary metals and forest products industries show relatively strong spending plans for 1984. Other manufacturing and food and beverage companies also are recording increases for 1984. Transportation equipment and chemicals industries, however, indicate weakness.
- Spending plans of respondents in the non-manufacturing sector for 1984 are expected to be about \$19.5 billion, a decrease of 10 per cent from 1983; following a decline of 14 per cent experienced in 1983. Areas of strength include transportation and storage industries, trade, finance and other commercial, and communications. All other sectors record declines.
- On a regional basis, all regions, with the exception of Quebec, record expected declines for 1984. The British Columbia and Atlantic regions show the larger year-to-year decreases.
- Large firms, on average, in this current survey, used a cost adjustment factor of 8.3 per cent in their capital budgets for 1983. For 1984 they have used a cost adjustment factor of 7.5 per cent.
- Capital investment abroad by those 72 firms who report outward investment in the October 1983 survey is expected to increase by 25 per cent in 1984 in current dollar terms. This follows a decline of 12 per cent experienced in 1983.



- The spending of domestic majority-owned firms on new plant and equipment in 1984 is anticipated to decrease by 7 per cent in real terms compared with a decrease of 5 per cent for the spending of foreign-owned firms.
- Private firms show a 5 per cent decrease in real capital spending plans for 1984, compared with a 9 per cent decrease shown by public companies.
- A comparison of this survey's results with those of the April 1983 survey shows an increase of almost 1 per cent in the level of investment intentions for the 1984-1987 period. Companies now indicate a total of about \$74 billion (1983 dollars) in investment plans for the medium term.
- A total of about \$3.4 billion in capital investments considered but not included by the large companies in their spending plans, was nevertheless thought to hold potential for the medium term. Twenty-one manufacturing companies reported \$1.1 billion (or about one-third) of this amount. The remaining \$2.3 billion was reported by 19 non-manufacturing firms. Forty-three per cent of total investments under consideration were reported by oil and gas companies, 14 per cent by transportation and storage companies, and 12 per cent by forest products companies.
- During 1984, manufacturing companies in the survey panel expect to operate at 81 per cent capacity, up from 78 per cent in 1983.



- Sales are expected to advance in current dollar terms by about 7 per cent in 1984.
- Almost two-thirds of the survey panel reported that they expect their profit level in 1984 to be higher than 1983 levels, while one-seventh expect a lower profit performance.
- Factors mentioned most often as affecting outlays were future economic conditions in Canada, anticipated cash flow, expected domestic and export sales, and government policies.

#### SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide intelligence on the decision-making process for corporate capital investment, and to generate timely material for departmental policy and planning decisions.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds.

The survey panel comprises about 270 large companies that participate on a voluntary basis. Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "mainline of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

The Fall 1983 survey was conducted mainly during October 1983. The results presented here include returns received up to November 25, 1983.

FOR FURTHER INFORMATION, CONTACT:

A. Skahen

Statistical and Data Base Services (XPID)

Department of Regional Industrial Expansion

235 Queen Street

Ottawa, Ontario

K1A 0H5

Tel.: (819) 997-2224





Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1982, 1983 AND PLANS FOR 1984 -- CANADA**

(Constant 1983 \$ Millions)

<u>Industry</u>	<u>Outlay</u> <u>1982</u>	<u>Outlay</u> <u>1983</u>	<u>Outlay</u> <u>1984</u>	<u>1983/82</u> <u>% Change</u>	<u>1984/83</u> <u>% Change</u>
Food and Beverages	351.3	474.3	520.8	35.0	9.8
Forest Products	1762.9	971.4	1130.0	-44.9	16.3
Primary Metals	1134.6	640.7	895.4	-43.6	39.7
Chemicals	646.7	452.2	413.5	-30.1	-8.6
Transportation Equipment	661.4	764.4	586.9	15.5	-23.3
Other Manufacturing	1254.0	1126.2	1262.1	-10.2	12.0
<u>Total Manufacturing</u>	5810.9	4429.2	4808.7	-23.8	8.5
Mining Companies	1765.2	1301.9	1257.1	-26.3	-3.5
Oil & Gas Companies	7096.6	6677.9	6402.1	-6.0	-4.2
Oil & Gas Pipelines	2560.6	1532.9	1061.1	-40.2	-30.8
Transportation & Storage	1609.7	1612.0	1669.9	0.1	3.5
Communications	3061.7	2282.3	2296.2	-25.5	0.6
Electric Utilities	8189.7	7462.8	6077.8	-8.9	-18.6
Trade, Finance and Other Commercial	850.9	727.4	740.0	-14.6	1.7
<u>Total Non-Manufacturing</u>	25134.4	21597.2	19504.2	-14.1	-9.7
<u>TOTAL</u>	30945.3	26026.4	24312.9	-15.9	-6.6

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\* Only those firms which reported for the April and October 1983 surveys for the years 1982 (actual), 1983 (preliminary actual) and 1984 (intentions), have been used in this table, namely 259 firms.



Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1982, 1983 AND PLANS FOR 1984 -- BY PROVINCE/REGION**

(Percent changes based on constant 1983 \$ Millions)

<u>PROVINCE/REGION</u>	<u>1983/82</u>	<u>1984/83</u>
Newfoundland	8.8	-7.1
Prince Edward Island	-32.1	0.9
Nova Scotia	-4.9	-20.0
New Brunswick	-45.6	-36.2
Atlantic Region	-9.1	-14.5
Quebec	-18.0	0.7
Ontario	-10.4	-7.3
Manitoba	-9.3	16.5
Saskatchewan	9.9	-3.4
Alberta	-15.0	-7.1
Prairie Region	-12.0	-5.0
British Columbia	-23.7	-19.9
Yukon	-36.7	34.2
Northwest Territories	-7.3	-12.8
British Columbia Region	-19.5	-17.7
Canada	-15.9	-6.6

\* Only those firms which reported for the April and October 1983 surveys for the years 1982 (actual), 1983 (preliminary actual) and 1984 (intentions), have been used in this table, namely 259 firms.



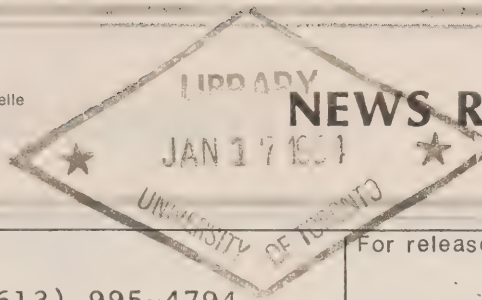
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Contact

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D. McDONALD

(613) 995-4794

IMMEDIATE

Subject

## INDUSTRIAL AND REGIONAL DEVELOPMENT POLICY BOARD CREATED

RIE 1/84

OTTAWA, January 5, 1984 -- Industry Minister Ed Lumley today announced the formation of the Industrial and Regional Development Policy Board to provide a forum in which business and labour leaders can advise the Government on a broad range of policies and issues relating to industrial development in all regions of Canada. It will bring forward the views of the business and labour communities as well as expertise from the academic community on the emerging policies, strategic directions and program modifications of the new Department of Regional Industrial Expansion.

Co-chairing the board will be Mrs. Shirley Carr, Executive Vice-President of the Canadian Labour Congress, and Mr. Paul Martin, President, Chief Executive Officer and Director of the CSL Group Inc. (Canada Steamship Lines, Kingsway Transport Ltd., Voyageur, and Canadian Shipbuilding and Engineering). Mrs. Carr is the officer responsible for the Research and Legislative Departments of the Canadian Labour Congress and is a representative to the International Labour Organization. Mr. Martin holds directorships with the Canada Development Corporation, Domglas Ltd. and Redpath Industries Ltd., among others.

Specifically, the board will make recommendations to the Government regarding: industrial policy objectives and priorities; improvements in the design and implementation of regional policies and programs; improvements in the coherence of regional, industrial and trade policies; and implications of the Government's other economic policies and priorities for regional industrial development. In addition, the board will advise on the priorities for allocation of the department's resources and the department's agenda for policy research.

Members of the board will be announced shortly.

- 30 -

FOR FURTHER INFORMATION, CONTACT: D. McDonald, (613) 995-4794

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## COMMUNIQUÉ

Agent	Prière de publier
D. McDONALD (613) 995-4794	IMMÉDIATEMENT
Objet	CRÉATION DU CONSEIL DES POLITIQUES DE DÉVELOPPEMENT INDUSTRIEL ET RÉGIONAL

RIE 1/84 OTTAWA, le 5 janvier 1984 -- Le ministre de l'Industrie, M. Edward C. Lumley, a annoncé aujourd'hui la création du Conseil des politiques de développement industriel et régional qui regroupera des représentants du patronat et des syndicats en vue de conseiller le gouvernement sur une vaste gamme de politiques et de questions concernant l'expansion industrielle dans toutes les régions du Canada. Ce conseil permettra de faire connaître les idées du patronat et des syndicats, de même que le point de vue des universités, à l'égard des nouvelles politiques, de l'orientation de la stratégie et des modifications à apporter aux programmes du nouveau ministère de l'Expansion industrielle régionale.

Ce conseil sera coprésidé par M<sup>me</sup> Shirley Carr, vice-présidente exécutive du Congrès du travail du Canada et par M. Paul Martin, président, administrateur principal et directeur de la CSL Group Inc. (Les sociétés Canada Steamship Lines, Kingsway Transport Ltd., Voyageur et Canadian Shipbuilding and Engineering.) M<sup>me</sup> Carr est en charge des départements de recherche et de législation du Congrès du travail du Canada et représentante de l'Organisation internationale du travail. M. Martin occupe des fonctions de directeur dans plusieurs sociétés dont la Canada Development Corporation, la Domglas Ltd. et la Redpath Industries Ltd.

Le conseil fera tout particulièrement des recommandations au gouvernement en ce qui touche les points suivants : objectifs et priorités au niveau des politiques industrielles régionales, améliorations de la conception et de la mise en oeuvre des politiques et des programmes régionaux, améliorations de la cohérence au niveau des politiques industrielles et commerciales des régions et répercussions des autres politiques et priorités économiques du gouvernement en matière de développement industriel régional. Par ailleurs, il offrira des conseils sur les priorités en matière d'affectation des ressources du ministère et sur le programme du ministère en matière de recherche politique.

Le nom des membres du conseil sera connu sous peu.

- 30 -

POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, COMMUNIQUER AVEC :

D. McDonald, au (613) 995-4794



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PETER BUCKMINSTER (613) 593-5722

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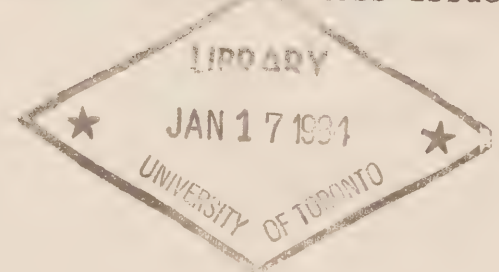
Subject

## CANADIAN EDUCATIONAL INSTITUTIONS RECEIVE MESBP FUNDING

SBI/84 OTTAWA, January 9, 1984 -- Grants totalling \$120,264 have been awarded to 12 Canadian educational institutions under the federal government's Management Excellence in Small Business Program (MESBP). In making the announcement today, the Hon. David Smith, Minister of State for Small Business and Tourism, said the awards bring to 55 the number of educational institutions funded, for a total of \$547,114, since the program was introduced in June 1982.

Mr. Smith said that MESBP, which is administered by the Small Business Secretariat, "is intended to foster closer, continuing relations between the business schools and the small business community." Accredited Canadian universities and community colleges may apply for aid under any of three program elements:

- development of improved course material, including case studies of particular relevance to small business;
- scholarship grants to eligible students to undertake 12-week management-related work assignments in a small business under the supervision of business school professors; and
- policy research studies related to small business issues.





The institutions and the total funding awarded to them are:  
British Columbia Institute of Technology (\$17,960), Okanagan College  
(\$6,000), University of Calgary (\$13,174), University of Manitoba  
(\$2,980), University of Ottawa (\$3,000), Carleton University (\$7,650),  
University of Western Ontario (\$20,000), Queen's University (\$6,000),  
Georgian College (\$6,000), Ryerson Polytechnical Institute (\$6,000),  
University of Montreal (\$25,500) and College of Cape Breton (\$6,000).

FOR FURTHER INFORMATION, PLEASE CONTACT:

Peter Buckminster  
Small Business Secretariat  
Department of Regional Industrial Expansion  
235 Queen Street  
Ottawa, Ontario  
Tel: (613) 593-5722



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## NEWS RELEASE

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- N 26

Contact

JIM LOVETT

(613) 593-4497

For release

IMMEDIATE

Subject

PARAMAX OBTAINS NEW OFFICES

RIE8/84

MONTREAL, January 18, 1984 -- PARAMAX Electronics Inc. of Montreal will move into new temporary premises this month to concentrate work on its \$1.25 billion (1983 \$) subcontract for Canada's new patrol frigates, Industry Minister Ed Lumley said today.

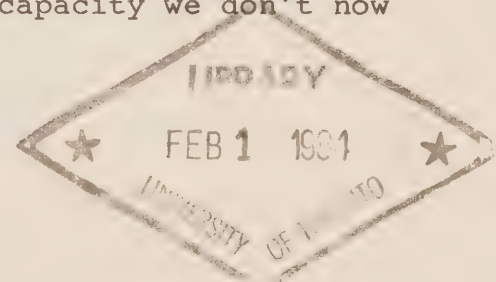
Construction of a permanent facility is expected to take at least a year. Bids have been requested from several engineering firms to provide assistance in site selection, preparation of construction plans, and construction of PARAMAX's permanent headquarters in the Montreal area.

During the interim, 1,850 square metres (20,000 square feet) of office space for temporary headquarters have been leased at 3100 Côte Vertu Road, in the City of Saint-Laurent.

PARAMAX Electronics Inc. is a wholly-owned subsidiary of Sperry Inc. The company was recently awarded the subcontract from the Saint John Shipbuilding and Dry Dock Company of New Brunswick to design, integrate and test combat systems for Canada's new patrol frigates.

According to the terms of the contract signed with the Federal government last year, work on the frigate project is expected to last until 1992, by which time PARAMAX will be Canadian controlled. Sperry Corporation has given PARAMAX a 25-year world business mandate, providing PARAMAX with an exclusive and royalty-free right to market and provide systems management, integration and logistics support for a wide range of naval combat systems applications.

"PARAMAX's arrival in Canada represents a significant and continuing transfer of technology to Quebec, and to Canada as a whole," said Finance Minister Marc Lalonde when signing the PARAMAX agreement last August. "The end result will be that Canada will gain a Canadian-controlled company and a technological capacity we don't now have."





PARAMAX's hiring program for the frigate project is well underway and will be accelerated once the Côte Vertu offices have been occupied by PARAMAX. The first groups are already undergoing training.

The permanent 14,000 square-metre (150,000 square feet) PARAMAX headquarters facility will house about 250 engineering and administrative personnel. The facility will also contain a special Combat System Test and Support facility which will be used for the Canadian Patrol Frigate project.

The Department of Supply and Services is the contracting authority for the prime contract with Saint John Shipbuilding.

FOR FURTHER INFORMATION, CONTACT:

Jim Lovett (613) 593-4497

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## NEWS RELEASE

Contact

P.E. MARCHAND (613) 593-5722

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NEW MEMBERS NAMED TO SMALL BUSINESS CONSULTATIVE COMMITTEE

SB11/84

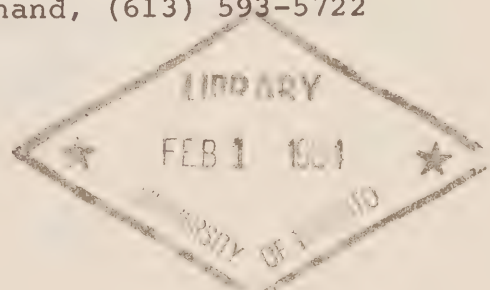
OTTAWA, January 18, 1984 -- Ten new members of the Small Business Consultative Committee have been appointed to replace those whose terms have expired. They are: C. Peter Benedict, President, Safety Offshore Sources, St. Johns, Newfoundland; Jim Bennett, Canadian Federation of Independent Business, Willowdale, Ontario; Gordon J. Chambers, President (C.E.O.), Chambers Olson Ltd., Richmond, B.C.; Ronald H. Fenwick, Vice President, CIBC Mortgage Corporation, Toronto, Ontario; Ronnie Hemming, Vice President, Outcrop Limited, Yellowknife, N.W.T.; Dick Irlam, Flett Motors, Newcastle, New Brunswick; Professor Raymond Kao, Ryerson Polytechnical Institute, Toronto, Ontario; John Cameron Millikin, Calgary, Alberta; Richard Pearce, President, Canadian Air Compressor Ltd., Toronto, Ontario; and Peter Petropoulos, Barrister and Solicitor, Toronto, Ontario.

Small Business Minister David Smith thanked the committee members at their first meeting yesterday of the committee's second year of operation for their first report. He noted that tax simplifications, pensions and legislated payroll costs were still some of the areas under study by the committee and expressed interest in the results of those studies.

The committee was formed to advise and assist the Minister of State for Small Business and Tourism by providing a forum for obtaining widespread and direct participation of entrepreneurs and professionals serving small business on existing and proposed government policies and programs for that sector of the business community.

- 30 -

FOR FURTHER INFORMATION, CONTACT: P.E. Marchand, (613) 593-5722







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**NEWS RELEASE**

Contact

For release

JOHN MACKILLOP (613) 593-6336

IMMEDIATE

Subject

**TEXTILE AND CLOTHING BOARD ANNUAL REPORT RELEASED**

RIE 44./84

OTTAWA, February 24, 1984 -- Industry Minister Ed Lumley today released the 1983 Annual Report on textiles and clothing prepared by the Textile and Clothing Board.

The two parts of this Report present respectively an account of the developments in the economic situation of the textile and clothing industries in 1982 and during the first months in 1983, and the results of a survey on the age of equipment in these two industries.

The Board mentions in its report that the textile and clothing industries were definitely affected by the 1982 recession. Production declined overall by 17 per cent and employment, by close to 15 per cent. However, encouraging signs of recovery appeared during the first few months of 1983, and the two industries managed to recover some of the losses.

In spite of the decline in 1982, the two industries maintained and in some cases enhanced their productivity per hour worked. Price increases for clothing in 1982 were moderate, increasing by five per cent over 1981 against an average of 11 per cent in the overall consumer price index and this relationship continued into the first months of 1983.

Investments declined during the 1982 recession. In 1983 there were moderate increases in investment plans of the primary textiles and knitting sectors but, because of general market uncertainty, investment plans in the clothing industry were still decreasing.

During the recession the share of the apparent market held by domestic producers decreased from 74 per cent in 1981 to 72 per cent in 1982 for yarns, from 52 per cent to 50 per cent for fabrics, and from 69 per cent to 67 per cent for clothing. One garment in three sold in Canada in 1982 was imported.



The results of the Board's survey of the age of equipment used in the textile and clothing industries show that production equipment has been modernized regularly in the last few years and that in certain instances the modernization effort has resulted in a rejuvenation of part of the equipment.

The Board concludes that the overall performance of the textile and clothing industries will improve although it is unlikely that its share of the Canadian market will come back to its former level.

FOR FURTHER INFORMATION, CONTACT: John MacKillop, (613) 593-6336



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## COMMUNIQUÉ

Agent

JOHN MACKILLOP

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Prière de publier

SUR RÉCEPTION

Objet

### PUBLICATION DU RAPPORT ANNUEL DE LA COMMISSION DU TEXTILE ET DU VÊTEMENT

RIE 44/84

OTTAWA, le 24 février 1984 -- Le ministre de l'Industrie, M. Edward C. Lumley, a rendu public aujourd'hui le Rapport annuel de 1983 préparé par la Commission du textile et du vêtement.

Les deux parties du Rapport présentent respectivement l'évolution de la situation économique dans les industries du textile et du vêtement en 1982 et au cours des premiers mois de 1983, de même que les résultats d'une enquête sur l'âge de l'équipement dans ces deux industries.

Dans son Rapport, la Commission signale que la récession de 1982 a manifestement touché les industries du textile et du vêtement. Dans l'ensemble, le volume de production a baissé de quelque 17 % et l'emploi de près de 15 %. Néanmoins, des signes encourageants de redressement sont apparus au cours des premiers mois de 1983 et ces deux industries ont réussi à récupérer une partie de leurs pertes.

Malgré le déclin enregistré en 1982, ces deux industries ont réussi à maintenir et parfois à accroître leur productivité par heure travaillée. Les prix des vêtements ont subi une hausse modérée en 1982, c'est-à-dire une augmentation de 5 % par rapport à 1981, contre une moyenne de 11 % en ce qui a trait à l'indice des prix à la consommation. Cette proportion s'est maintenue durant les premiers mois de 1983.

En 1982, les investissements ont décliné à cause de la récession. Les projets d'investissements ont connu une augmentation modérée dans les secteurs des textiles primaires et du tricotage en 1983, mais ils ont poursuivi leur chute dans l'industrie du vêtement à cause de l'incertitude générale des marchés.

Durant la récession, la part du marché apparent détenue par les producteurs domestiques a baissé de 74 %, en 1981, à 72 %, en 1982, dans les produits filés, de 52 % à 50 % dans les tissus et de 69 % à 67 % dans les vêtements. Un vêtement sur trois, vendu au Canada en 1982, était un vêtement importé.



Les résultats de l'enquête de la Commission sur l'âge de l'équipement utilisé par les industries du textile et du vêtement indiquent que, dans l'ensemble, l'équipement a été modernisé régulièrement au cours des dernières années et que, dans certains cas, cet effort de modernisation a conduit à un rajeunissement d'une part de l'équipement.

La Commission conclut que la performance globale des industries du textile et du vêtement connaîtra une amélioration, quoiqu'il soit peu probable que ce secteur du marché canadien recouvre son niveau antérieur.

POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, COMMUNIQUER AVEC :  
John MacKillop, au (613) 593-6336



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## NEWS RELEASE

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RIE

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For release

IMMEDIATE

Subject

### APRIL 1985 CAPITAL INVESTMENT INTENTIONS SURVEY RELEASED

DRIE 53/85

OTTAWA, June 11, 1985 -- The Hon. Sinclair Stevens, Minister of Regional Industrial Expansion, today released highlights of the Department's April 1985 Survey of Business Capital Investment Intentions of Large Firms.

The survey suggests that the Canadian business community is more optimistic than it was six months ago. Companies participating in the April survey report that their real capital spending may advance by about 13 per cent in 1985 from the 1984 level, while a similar survey last October indicated about a 6 per cent advance.

In particular, increased optimism was expressed in the non-manufacturing sector, where companies now expect an 8 per cent real growth in spending versus 0.2 per cent anticipated in the October 1984 Survey. Spending in the manufacturing sector continues to show strength with a 34 per cent expected increase in spending. Company spending in Ontario, the Prairies and Quebec registers increases in capital expenditures during 1985. Of all the companies surveyed, about 41 per cent are looking forward to a higher profit level in 1985 than that experienced in 1984.

Attached are highlights from the April 1985 Survey of Business Capital Investment Intentions of Large Firms.

- 30 -

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## APRIL 1985 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on constant 1984 dollars except where otherwise noted.)

- ° Responding companies indicate their planned level of spending on new plant and equipment in 1985 will be about \$26.6 billion, an increase of some 13 per cent or \$3.1 billion from the revised 1984 level.
- ° Capital spending by reporting manufacturing corporations on new plant and equipment in 1985 is now expected to be about \$6.3 billion, a 34 per cent increase from 1984. Transportation equipment, forest products, chemicals and other manufacturing companies show particularly strong spending plans for 1985. Primary metals companies are also recording an increase for 1985. Food and beverage companies, however, indicate weak spending intentions.
- ° Spending plans of respondents in the non-manufacturing sector for 1985 are expected to be about \$20.3 billion, an increase of 8 per cent from 1984. Areas of strength include trade, finance and other commercial, and oil and gas companies. Mining, electric utilities and communications companies also record increases for 1985. Transportation and storage companies show virtually no change in spending in 1985 over 1984 levels while oil and gas pipelines record a decline for 1985.
- ° On a regional basis, Ontario, the Prairie Region and Quebec record expected increases for 1985. The British Columbia and Atlantic Regions show year-to-year decreases.
- ° Large firms, on average, in this current survey, used a cost adjustment factor of 5.0 per cent in their capital budgets for 1985, down from the 5.8 per cent used for 1985 in the October 1984 Survey.
- ° Capital investment abroad by those 82 firms who reported outward investment in the April 1985 survey is expected to increase by 7.5 per cent in 1985, in current dollar terms.
- ° The spending of domestic majority-owned firms on new plant and equipment in 1985 is anticipated to increase by 6.5 per cent in real terms compared with a 27.4 per cent increase expected by foreign-owned firms.

- ° Private firms show an 18.5 per cent increase in real capital spending plans for 1985, compared to a 1.9 per cent increase shown by public companies, (i.e., crown corporations).
- ° A comparison of this survey's results with those of the October 1984 survey shows an increase of about 3.9 per cent in the level of investment intentions for the 1985-1989 period. Companies presently indicate a total of about \$97 billion (1984 dollars) in investment plans for the medium-term.
- ° A total of about \$2.6 billion in capital investments that was not included by the large companies in their spending plans, nevertheless, was thought to hold potential for the medium term. Eighteen manufacturing companies reported \$1.2 billion (or about 45 per cent) of this amount. The remaining \$1.4 billion was reported by 14 non-manufacturing firms. Twenty-eight per cent of the total potential medium-term investments under consideration were reported by forest products companies, 25 per cent by mining companies, 14 per cent by oil and gas companies and 10 per cent by primary metals companies.
- ° During 1985, manufacturing companies in the survey panel expect to operate at about 81 per cent capacity, up from 79 per cent in 1984.
- ° Sales are expected to advance in current dollar terms, by 6.7 per cent in 1985.
- ° About 61 per cent of the survey panel reported that they expect their profit levels in 1985 to be higher than 1984 levels, while 22 per cent expect a lower profit performance.
- ° Factors mentioned most often as affecting outlays were expected domestic and export sales, anticipated cash flow, rates of return, government policies and future economic conditions in Canada.



Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1984 AND PLANS FOR 1985 - CANADA**

(Constant 1984 \$ Millions)

<u>Industry</u>	<u>Outlay</u> <u>1984</u>	<u>Outlay</u> <u>1985</u>	<u>1985/84</u> <u>% Change</u>
Food and Beverages	565.0	525.0	- 7.1
Forest Products	1 073.1	1 477.1	37.6
Primary Metals	966.3	1 072.1	10.9
Chemicals	329.6	426.9	29.5
Transportation Equipment	555.2	1 209.1	117.7
Other Manufacturing	1 215.0	1 576.2	29.7
<u>Total Manufacturing</u>	4 704.2	6 286.4	33.6
Mining Companies	1 253.7	1 309.2	4.4
Oil & Gas Companies	5 923.7	7 047.8	18.9
Oil & Gas Pipelines	1 353.3	1 271.3	- 6.1
Transportation & Storage	1 830.4	1 832.5	0.1
Communications	2 433.7	2 456.2	0.9
Electric Utilities	4 985.6	5 159.8	3.4
Trade, Finance and Other Commercial	1 007.4	1 215.3	20.6
<u>Total Non-Manufacturing</u>	18 787.8	20 292.1	8.0
<u>TOTAL</u>	23 492.0	26 578.5	13.1

\* Only the 278 firms which reported for the April 1985 and October 1984 surveys for the years 1984 (actual) and 1985 (revised intentions), have been used in this table.

Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1984 AND PLANS FOR 1985 -- BY PROVINCE/REGION**

(Constant 1984 \$ Millions)

<u>PROVINCE/REGION</u>	Outlay <u>1984</u>	Outlay <u>1985</u>	1985/84 <u>% Change</u>
Newfoundland	633.9	594.8	- 6.2
Prince Edward Island	11.9	15.7	31.9
Nova Scotia	895.7	887.4	- 1.0
New Brunswick	406.7	292.8	-28.1
Atlantic Region	2 037.7	1 939.6	- 4.9
Quebec	3 863.5	4 155.7	7.5
Ontario	6 448.6	7 920.5	22.8
Manitoba	504.4	683.9	35.5
Saskatchewan	1 051.2	1 257.3	19.6
Alberta	5 229.4	6 164.4	17.8
Prairie Region	7 014.4	8 471.0	20.7
British Columbia	2 185.6	2 116.6	- 3.2
Yukon	7.9	8.1	2.5
Northwest Territories	696.5	520.6	-25.3
British Columbia Region	2 911.9	2 652.3	- 9.0
Canada	23 492.0	26 578.5	13.1

Only the 278 firms which reported for the April 1985 and October 1984 surveys for the years 1984 (actual) and 1985 (revised intentions) have been used in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide intelligence on the decision-making process for corporate capital investment, and to generate timely material, to be used in conjunction with other data, for departmental policy and planning decisions. The survey panel comprises some 278 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses. This current survey was taken before the Federal Budget and thus does not reflect its impact. In addition, many oil and gas companies noted that their plans did not take into consideration the positive aspects of the "Western Accord".

Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

FOR FURTHER INFORMATION, CONTACT:

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## NEWS RELEASE

Publications

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For release

IMMEDIATE

Subject

**TCB REPORT ON AN INQUIRY ON TEXTILES AND CLOTHING RELEASED**

RIE 122/85  
- N26

OTTAWA, December 24, 1985 - The Textile and Clothing Board's report on an inquiry on textiles and clothing was released today by Sinclair Stevens, Minister of Regional Industrial Expansion. The inquiry was requested by Mr. Stevens in view of the expiry date of December 31, 1986 for Canada's current bilateral restraint agreements.

The Board found that low-cost imports continue to injure Canadian producers and recommended that Canada continue to limit imports of these products, preferably by means of bilateral restraint agreements negotiated under the Multi-Fibre Arrangement. In the Board's view, Canada's bilateral agreements should follow more closely those of other major importers such as the United States and the European Economic Community which are more comprehensive and rigid than ours. A number of specific recommendations are made designed to bring about a more efficient protection system and from the view point of exporting countries, a more equitable system.

The Board believes, however, that action, as recommended in its interim report of June 28, 1985, should be taken to arrest further damage to the textile and clothing industry while the Multi-Fibre Arrangement and subsequent bilateral agreements are being negotiated. The application of new bilateral agreements will then enable the Government to develop a domestic textile policy that could ultimately replace international negotiations.

The Board stated the current bilateral system has not brought as much stability to the Canadian textile industries as expected. In the opinion of the Board, certain of Canada's bilateral agreements contained annual growth rates which were too high, negotiations with new exporting countries had been undertaken either

Canada

too late or not at all, and imports of numerous products had been restrained from a small number of exporting countries, letting other countries export freely to Canada.

The Board's report underlines the costs associated with special measures of protection, estimating the cost to Canadian consumers of existing textiles and clothing restraints to be \$300 to \$350 million annually, or 12 to 14 dollars per capita per annum. However, it was also estimated that without special measures of protection some 40,000 to 60,000 jobs would disappear over a relatively short period of time with significant social implications.

In order to lessen over time the dependency of the textile and clothing industries on special measures of protection, the Board proposes that a program of duty free importation be developed tied to the value of production of manufacturers and to the value of sales of Canadian products by retailers. The Board believes that such a program could lead to a new, more stable and longer term equilibrium between domestic production and imports.

Mr. Stevens expressed appreciation for the Board's report and stated that it would form an important input into the Government's deliberations on a long term policy for the textile and clothing sectors.

FOR FURTHER INFORMATION, CONTACT: J.W. McLaggan, (613) 996-0087

FOR COPIES OF THE REPORT, CONTACT: Textile and Clothing Board,  
(613) 993-6336



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## NEWS RELEASE

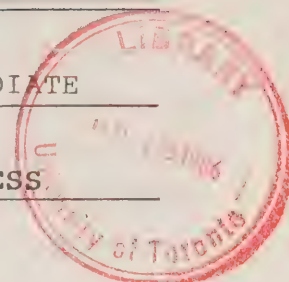
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IMMEDIATE

Subject

## INCREASED INVESTMENT PLANNED BY CANADIAN BUSINESS



RIE 03/86

OTTAWA, January 3, 1986 -- Buoyed by an improving economy, Canadian businesses plan to substantially increase capital spending this year over 1985 levels, according to the results of a survey released today by Sinclair Stevens, Minister of Regional Industrial Expansion.

The findings were contained in highlights of the Department's October 1985 Survey of Business Capital Investment Intentions of Large Firms.

The survey suggests the Canadian business community is more optimistic than it was six months ago. Companies responding to the October survey report that their real capital spending may advance by about 7.5 per cent in 1986 from the 1985 level, while a similar survey last April indicated a decline of about 1.6 per cent. The companies' spending in 1985 was registering a 4.6 per cent growth over 1984 levels at the time of the survey.

"The results of this survey are very encouraging," Mr. Stevens said. "Most companies are projecting increased capital investment, higher production and an upturn in sales and profit levels."

The mood of optimism among survey respondents is further evidence of the economic growth which is taking place in Canada, Mr. Stevens said. "This bears out what we have been saying and virtually every economic forecasting agency has been reporting in recent months. Canada has entered a period of sustained economic renewal marked by new investment, spending and exports."

Spending in the manufacturing sector will continue to show strength with a 22 per cent increase in spending forecast in 1986. In addition increased optimism was expressed in the non-manufacturing sector, where companies now expect a 3.2 per cent real growth in spending, compared with a 2.5 per cent decrease anticipated in a survey last April.

Company spending increases are expected to be strongest in Ontario, the Prairie Provinces and Quebec. About 59 per cent of companies surveyed look forward to a higher profit level in 1986 than that experienced in 1985.

Attached are highlights from the October 1985 Survey of Business Capital Investment Intentions of Large Firms.

FOR FURTHER INFORMATION, CONTACT:

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Statistical and Data Base Services  
Department of Regional Industrial Expansion  
(613) 993-5101

## OCTOBER 1985 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on constant 1985 dollars except where otherwise noted.)

- ° Responding companies indicate their planned level of spending on new plant and equipment in 1986 will be about \$27 billion, an increase of some 7.5 per cent or \$1.9 billion from the revised 1985 level.
- ° Reporting companies now expect their 1985 spending on new plant and equipment to reach some \$25 billion, a 4.6 per cent increase over the 1984 level. This increase, however, is lower than the 12 per cent advance anticipated six months ago and reflects some carryover of plans from 1985 to 1986 and beyond.
- ° Capital spending by reporting manufacturing corporations on new plant and equipment in 1986 is expected to be about \$7 billion, a 22.2 per cent increase from 1985. Transportation equipment, chemicals and primary metals companies show particularly strong spending plans for 1986. Forest products and other manufacturing companies are also recording increases for 1986. Food and beverage companies, however, indicate weak spending intentions.
- ° Spending plans of respondents in the non-manufacturing sector for 1986 are expected to be about \$20 billion, an increase of 3.2 per cent from 1985. Areas of strength include trade, finance and other commercial, oil and gas pipelines and communications. Oil and gas companies and transportation and storage companies also record increases for 1986. Electric utilities and mining companies record declines.
- ° On a regional basis, Ontario, the Prairie Region and Quebec record expected increases for 1986 while British Columbia and Atlantic Regions show year-to-year decreases.



- ° In this survey, large firms, on average, used a cost adjustment factor of 4.3 per cent in their capital budgets for 1985, down from the 5.0 per cent used for 1985 in the April 1985 survey. For 1986 they have used a cost adjustment factor of 4.7 per cent.
- ° Capital investment abroad by those 74 firms who reported outward investment in the October 1985 survey is expected to decrease by 0.9 per cent in 1986, in current dollar terms.

The spending of domestic majority-owned firms on new plant and equipment in 1986 is anticipated to increase by 7.0 per cent in real terms compared with an 8.6 per cent increase expected by foreign firms.

- ° Private firms show a 10.4 per cent increase in real capital spending plans for 1986, compared to a 0.9 per cent increase shown by public companies, (i.e., crown corporations).
- ° A comparison of this survey's results with those of the April 1985 survey shows an increase of about 0.5 per cent in the level of investment intentions for the 1986-1989 period. Companies presently indicate a total of almost \$83 billion (1985 dollars) in investment plans for the medium-term.
- ° A total of about \$2.0 billion in capital investments that was not included by the large companies in their spending plans, nevertheless, was thought to hold potential for the medium term. Twenty-one manufacturing companies reported \$1.1 billion (or about 55 per cent) of this amount. The remaining \$0.9 billion was reported by 15 non-manufacturing firms. Twenty-five per cent of the total potential medium-term investments under consideration were reported by primary metals companies, 19 per cent by forest products and 16 per cent by oil and gas companies.

- ° During 1986, manufacturing companies in the survey panel expect to operate at about 84 per cent capacity, up from 82 per cent in 1985.
- ° Sales are expected to advance in current dollar terms, by 5.6 per cent in 1986.
- ° About 59 per cent of the survey panel reported that they expect their profit levels in 1986 to be higher than 1985 levels, while 15 per cent expect a lower profit performance.
- ° Factors mentioned most often as affecting outlays were anticipated cash flow, expected domestic and export sales, rates of return, government policies and future economic conditions in Canada.

Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES**

**FOR 1984, 1985 AND PLANS FOR 1986 - CANADA**

(Constant 1985 \$ Millions)

<u>Industry</u>	<u>Outlay</u> <u>1984</u>	<u>Outlay</u> <u>1985</u>	<u>Outlay</u> <u>1986</u>	<u>1985/84</u> <u>% Change</u>	<u>1986/85</u> <u>% Change</u>
Food and Beverages	560.0	522.4	464.0	-6.8	-11.2
Forest Products	1075.8	1450.9	1723.5	34.8	18.7
Primary Metals	988.0	972.7	1272.4	-1.6	30.8
Chemicals	404.6	438.9	575.3	8.4	31.0
Transportation Equipment	580.5	1025.0	1434.3	76.5	39.9
Other Manufacturing	1270.6	1357.5	1580.6	6.8	16.4
<u>Total Manufacturing</u>	4879.5	5767.4	7050.1	18.1	22.2
Mining Companies	1306.1	1162.4	1139.4	-11.1	-2.0
Oil & Gas Companies	6249.2	7097.7	7303.6	13.5	2.9
Oil & Gas Pipelines	1487.4	1249.4	1451.4	-16.1	16.1
Transportation & Storage	1473.1	1230.7	1241.9	-16.5	0.9
Communications	2520.0	2544.5	2730.2	0.9	7.2
Electric Utilities	5182.6	4999.0	4856.7	-3.6	-2.9
Trade, Finance and Other Commercial	958.0	1127.1	1315.4	17.6	16.7
<u>Total Non-Manufacturing</u>	19176.4	19410.8	20038.6	1.2	3.2
<u>TOTAL</u>	24055.9	25178.2	27088.7	4.6	7.5

\* Only the 268 firms which reported for the April and October 1985 surveys for the years 1984 (actual), 1985 (preliminary actual) and 1986 (intentions), have been used in this table.



Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1984, 1985 AND PLANS FOR 1986 -- BY PROVINCE/REGION**  
(Constant 1985 \$ Millions)

<u>PROVINCE/REGION</u>	<u>Outlay 1984</u>	<u>Outlay 1985</u>	<u>Outlay 1986</u>	<u>1985/84 % Change</u>	<u>1986/85 % Change</u>
Newfoundland	612.4	547.5	459.3	-10.6	-16.2
Prince Edward Island	11.6	16.8	17.8	44.8	5.9
Nova Scotia	908.5	814.9	778.3	-10.4	-4.5
New Brunswick	393.4	275.2	322.5	-30.1	17.1
Atlantic Region	2027.4	1790.3	1704.9	-11.7	-4.8
Quebec	3954.1	4016.6	4130.7	1.5	2.8
Ontario	6523.0	7315.9	8106.0	12.1	10.7
Manitoba	455.1	587.4	673.4	29.0	14.6
Saskatchewan	1029.7	1049.7	1013.1	1.9	-3.5
Alberta	5320.0	6187.6	6923.8	16.3	11.8
Prairie Region	7068.1	8104.1	8961.0	14.6	10.5
British Columbia	2043.7	1805.5	1798.6	-11.7	-0.4
Yukon	8.6	10.9	9.2	26.7	-15.6
Northwest Territories	748.5	483.6	436.0	-35.4	-9.9
British Columbia Region	2825.5	2308.1	2254.4	-18.4	-2.4
Canada	24055.9	25178.2	27088.7	4.6	7.5

\* Only the 268 firms which reported for the April and October 1985 surveys for the years 1984 (actual), 1985 (preliminary actual), and 1986 (intentions), have been used in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide intelligence on the decision-making process for corporate capital investment, and to generate timely material, to be used in conjunction with other data, for departmental policy and planning decisions. The survey panel comprises some 274 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses.

Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

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For release

Immediate

Subject

CAI  
RIE  
- N26

### INCREASED INVESTMENT PLANNED BY CANADIAN BUSINESS

OTTAWA, January 12, 1987 -- Canadian businesses plan a modest increase in capital spending this year over 1986 levels, according to the results of a survey released today by the Department of Regional Industrial Expansion.

The findings were contained in highlights of the Department's October/November 1986 Survey of Business Capital Investment Intentions of Large Firms.

Companies responding to this Survey report that their real capital spending may advance by about 1.1 per cent in 1987 from the 1986 level. The companies' spending in 1986 was registering a 1.7 per cent decline from 1985 levels at the time of the survey.

Spending in the manufacturing sector shows a projected 3.4 per cent increase for 1987. In addition, some optimism was expressed in the non-manufacturing sector, where companies expect a 0.2 per cent real growth in spending, compared with an 8.1 per cent decrease in 1986.

Company investment spending is expected to increase in the Quebec and Ontario Regions. About 63 per cent of companies surveyed look forward to a higher profit level in 1987 than that experienced in 1986.

Attached are highlights from the October/November 1986 Survey of Business Capital Investment Intentions of Large Firms.

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## OCTOBER 1986 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on constant 1986 dollars except where otherwise noted.)

- \* Responding companies indicate their planned level of spending on new plant and equipment in 1987 will be over \$24 billion, an increase of 1.1 per cent or \$0.3 billion from the 1986 level.
- \* Reporting companies now expect their 1986 spending on new plant and equipment to reach almost \$24 billion, a 1.7 per cent decrease from the 1985 level.
- \* Capital spending by reporting manufacturing corporations on new plant and equipment in 1987 is expected to be about \$6.7 billion, a 3.4 per cent increase from 1986. Non-metallic minerals, electrical, electronic and machinery and food and beverage companies show particularly strong spending plans for 1987. After a large advance in 1986, transportation equipment is expecting a 12 per cent decline in spending in 1987.
- \* Spending plans for 1987 of respondents in the non-manufacturing sector are expected to be about \$17.6 billion, an increase of 0.2 per cent from 1986. Areas of strength include communications, trade, finance and other commercial, and transportation and storage. Oil and gas companies and pipelines record declines.
- \* On a regional basis, Quebec and Ontario record expected increases for 1987 while the Atlantic, British Columbia and Prairie Regions show year-to-year decreases.
- \* In the survey, large firms, on average, used a cost adjustment factor of 3.8 per cent in their capital budgets for 1986. For 1987 they have used a cost adjustment factor of 4.1 per cent.

- \* For the entire survey period (1985 to 1991) all companies reported plans for a total of \$137 billion (1986 dollars) in investment.
- \* Capital investment abroad by those 60 firms who reported outward investment in the October 1986 survey is expected to increase by some 10 per cent in 1987, in current dollar terms, following a decrease of 26 per cent in 1986.
- \* The spending of domestic majority-owned firms on new plant and equipment in 1987 is anticipated to increase by 6.5 per cent in real terms compared with an 11.0 per cent decrease expected by foreign firms.
- \* Private firms show a 3.0 per cent decrease in real capital spending plans for 1987, compared to a 10.5 per cent increase shown by public companies (i.e. crown corporations).
- \* About 63 per cent of the survey panel reported that they expect their profit levels in 1987 to be higher than 1986 levels, while 15 per cent expect a lower profit performance.
- \* Factors mentioned most often as affecting outlays were expected domestic and export sales, anticipated cash flow, rates of return, government policies and future economic conditions in Canada.



Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES**  
**FOR 1985, 1986 AND PLANS FOR 1987 -- CANADA**  
 (Constant 1986 \$ Millions)

<u>INDUSTRY</u>	Outlay <u>1985</u>	Outlay <u>1986</u>	Outlay <u>1987</u>	1986/85 <u>% Change</u>	1987/86 <u>% Change</u>
Food & Beverage	417.0	460.1	557.2	10.3	21.1
Forest Products	1219.4	1365.5	1386.1	12.0	1.5
Primary Metals	999.5	1148.9	1154.4	14.9	0.4
Chemicals	450.4	502.3	522.1	11.5	3.9
Transportation Equipment	1174.8	1884.1	1658.4	60.3	-12.0
Electrical, Electronic and Machinery	655.2	591.1	774.2	-9.8	30.9
Non-Metallic Minerals	172.3	190.0	261.1	10.2	37.4
Other Manufacturing	234.5	295.2	342.9	25.8	16.1
 Total Manufacturing	 5323.1	 6437.2	 6656.4	 20.9	 3.4
 Mining	 880.0	 924.4	 949.8	 5.0	 2.7
Oil & Gas Companies	7071.9	4893.4	4096.8	-30.9	-16.3
Oil & Gas Pipelines	923.9	997.3	783.3	7.9	-21.5
Transportation & Storage	1294.2	1048.0	1137.3	-19.1	8.5
Communications	2648.2	2912.8	3254.9	9.9	11.7
Electric Utilities	4870.1	4949.0	5345.6	1.6	8.0
Trade, Finance & Other Commercial	1354.5	1787.6	1996.3	31.9	11.6
 Total Non-Manufacturing	 19042.8	 17512.5	 17564.0	 -8.1	 0.2
 T O T A L	 24365.9	 23949.7	 24220.4	 -1.7	 1.1

\*Only the 283 firms which reported for the years 1985 (actual), 1986 (preliminary actual), and 1987 (intentions), have been included in this table.

Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1985, 1986 AND PLANS FOR 1987 -- BY PROVINCE/REGION**

(Constant 1986 \$ Millions)

<u>PROVINCE/REGION</u>	<u>Outlay</u> <u>1985</u>	<u>Outlay</u> <u>1986</u>	<u>Outlay</u> <u>1987</u>	<u>1986/85</u> <u>% Change</u>	<u>1987/86</u> <u>% Change</u>
Newfoundland	442.7	356.0	273.7	-19.6	-23.2
Prince Edward Island	23.3	19.5	20.6	-16.4	5.6
Nova Scotia	814.8	695.9	582.9	-14.6	-16.3
New Brunswick	238.4	303.2	320.6	27.1	5.7
Atlantic Region	1866.6	1641.4	1308.6	-12.1	-20.3
Québec	3576.5	3504.7	4150.1	-2.1	18.4
Ontario	7336.5	8724.2	8943.2	18.9	2.5
Manitoba	617.4	757.8	743.8	22.7	-1.9
Saskatchewan	1040.6	935.9	839.7	-10.1	-10.3
Alberta	5599.4	4571.3	4485.0	-18.4	-1.9
Prairie Region	7559.2	6539.7	6399.8	-13.5	-2.2
British Columbia	1689.3	1626.9	1680.6	-3.7	3.3
Yukon	9.8	8.1	8.2	-17.4	1.2
Northwest Territories	387.7	189.8	58.6	-51.1	-69.2
British Columbia Region	2279.6	1961.9	1773.4	-14.0	-9.7
Canada	24365.9	23949.7	24220.4	-1.7	1.1

\*Only the 283 firms which reported for the years 1985 (actual), 1986 (preliminary actual), and 1987 (intentions), have been included in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide timely intelligence on corporate capital investment decisions for economic forecasting and departmental policy and planning. The survey panel comprises some 300 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses.

Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

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CAI  
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## NEWS RELEASE

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For release

Immediate

Subject

### INCREASED INVESTMENT PLANNED BY CANADIAN BUSINESS

OTTAWA, June 29, 1987 -- Canadian businesses expect higher profits and increased capital spending this year over 1986 levels, according to the results of a survey released today by the Department of Regional Industrial Expansion.

The findings are contained in highlights of the Department's April 1987 Survey of Business Capital Investment Intentions of Large Firms.

"The Canadian economy continues to show signs of strength and growth," **Michel Côté, Minister of Regional Industrial Expansion** said in releasing the findings. "This latest survey shows that businesses have confidence in the future and in the policies of our Government."

Companies responding to this survey report that their capital spending may advance by nine per cent in current dollars in 1987 from the 1986 level. Spending in the manufacturing sector shows a projected 16.8 per cent increase for 1987, while companies in the non-manufacturing sector expect a 6.1 per cent growth in spending.

Company investment spending is expected to increase in the Quebec, Ontario, British Columbia and Prairie Regions. About 65 per cent of companies surveyed look forward to a higher profit level in 1987 than that experienced in 1986.

Attached are highlights from the April 1987 Survey of Business Capital Investment Intentions of Large Firms.

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## APRIL 1987 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on current dollars except where otherwise noted.)

- \* Responding companies indicate their planned level of spending on new plant and equipment in 1987 will be over \$26 billion, an increase of 9.0 per cent or \$2.2 billion from the 1986 level. Adjusting for costs, real growth in 1987 is currently expected to be 4.9 per cent.
- \* Capital spending by reporting manufacturing corporations on new plant and equipment in 1987 is expected to be about \$7.7 billion, a 16.8 per cent increase from 1986. Electrical, electronics and machinery, food and beverage, non-metallic minerals and forest products companies show particularly strong spending plans for 1987. Transportation equipment is expecting about a 1 per cent decline in spending in 1987.
- \* Spending plans for 1987 of respondents in the non-manufacturing sector are expected to be about \$18.7 billion, an increase of 6.1 per cent from 1986. Areas of strength include trade, finance and other commercial, communications and electric utilities. Oil and gas companies and pipelines record declines.
- \* On a regional basis, the Quebec, Ontario, British Columbia and Prairie Regions record expected increases for 1987 while the Atlantic Region shows a year-to-year decrease.
- \* In the survey, large firms, on average, used a cost adjustment factor of 3.9 per cent in their capital budgets for 1987.

- \* For the entire survey period (1986 to 1991) companies reported plans for a total of \$140 billion in investment.
- \* Capital investment abroad by those 74 firms who reported outward investment in the April 1987 survey is expected to decrease by 1.1 per cent in 1987.
- \* The spending of domestic majority-owned firms on new plant and equipment in 1987 is anticipated to increase by 13.0 per cent compared with a 0.4 per cent increase expected by foreign firms.
- \* Private firms show a 5.6 per cent increase in capital spending plans for 1987, compared to an 18.1 per cent increase shown by public companies (i.e., crown corporations).
- \* About 65 per cent of the survey panel reported that they expect their profit levels in 1987 to be higher than 1986 levels, while 17 per cent expect a lower profit performance.
- \* Factors mentioned most often as affecting outlays were anticipated cash flow, expected domestic sales, rates of return, government policies and future economic conditions in Canada.

Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1986 AND PLANS FOR 1987 -- CANADA**

(Current \$ Millions)

<u>INDUSTRY</u>	<u>Outlay</u> <u>1986</u>	<u>Outlay</u> <u>1987</u>	<u>1987/86</u> <u>% Change</u>
Food & Beverage	505.5	671.7	32.8
Forest Products	1655.5	2124.0	28.2
Primary Metals	1138.5	1253.7	10.1
Chemicals	501.6	524.2	4.5
Transportation Equipment	1807.4	1792.1	- 0.9
Electrical, Electronic and Machinery	553.4	743.0	34.2
Non-Metallic Minerals	191.7	246.5	28.5
Other Manufacturing	266.5	379.9	42.5
Total Manufacturing	6620.1	7735.1	16.8
Mining	886.3	977.0	10.2
Oil & Gas Companies	4928.5	4475.6	- 9.2
Oil & Gas Pipelines	1039.0	875.4	-15.8
Transportation & Storage	1470.2	1610.5	9.5
Communications	2890.4	3349.6	15.8
Electric Utilities	4779.3	5391.5	12.8
Trade, Finance & Other Commercial	1632.3	2034.3	24.6
Total Non-Manufacturing	17626.0	18713.9	6.1
T O T A L	24246.1	26449.0	9.0

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\*Only the 308 firms which reported for the years 1986 (actual) and 1987 (revised intentions), have been included in this table.



Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1986 AND PLANS FOR 1987 -- BY PROVINCE/REGION**  
(Current \$ Millions)

<u>PROVINCE/REGION</u>	<u>Outlay 1986</u>	<u>Outlay 1987</u>	<u>1987/86 % Change</u>
Newfoundland	442.6	424.7	- 4.1
Prince Edward Island	25.5	23.3	- 8.7
Nova Scotia	687.9	631.6	- 8.2
New Brunswick	312.9	358.6	14.6
Atlantic Region	1696.0	1493.0	-12.0
Quebec	3988.8	4837.6	21.2
Ontario	8924.8	9796.8	9.7
Manitoba	792.1	876.1	10.6
Saskatchewan	1025.6	810.2	-21.1
Alberta	4532.7	4897.8	8.0
Prairie Region	6627.3	6895.8	4.0
British Columbia	1751.8	2093.4	19.4
Yukon	7.4	8.0	8.1
Northwest Territories	304.9	109.4	-64.2
British Columbia Region	2095.2	2242.8	7.0
Canada	24246.1	26449.0	9.0

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\*Only the 308 firms which reported for the years 1986 (actual) and 1987 (revised intentions), have been included in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide timely intelligence on corporate capital investment decisions for economic forecasting and departmental policy and planning. The survey panel comprises some 315 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses.

Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

### FOR FURTHER INFORMATION, CONTACT:

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For release

IMMEDIATE

Subject

**INCREASED INVESTMENT PLANNED BY CANADIAN BUSINESS**

CAI

RIE

- N26

OTTAWA, January 7, 1988 -- Canadian businesses expect increased profits and capital spending in 1988 over 1987 levels, according to the results of a survey released today by Robert R. de Cotret, Minister of Regional Industrial Expansion and Minister of State for Science and Technology.

The findings are contained in the attached highlights of the Department's October/November 1987 Survey of Business Capital Investment Intentions of Large Firms.

Companies responding to this survey report that their capital spending will advance by 13.9 per cent in current dollars in 1988 from the 1987 level. The total estimated 1987 capital spending reported by these companies at the time of the survey was about eight per cent higher than the 1986 level.

Spending in the manufacturing sector shows a projected 6.3 per cent increase for 1988 over 1987, and a 12.2 per cent increase for 1987 over 1986. In the non-manufacturing sector, companies expect a 17.1 per cent increase in spending between 1987 and 1988 compared to 6.3 per cent growth between 1986 and 1987.

Business investment spending is expected to increase in all regions of Canada. The highest rate of growth is expected to occur in the Prairies followed by Quebec, Atlantic Canada, British Columbia and Ontario. About 64 per cent of companies surveyed look forward to a higher profit level in 1988 than that experienced in 1987.

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## OCTOBER/NOVEMBER 1987 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on current dollars except where otherwise noted.)

- \* Responding companies indicate that their planned level of spending on new plant and equipment in 1988 will be over \$29 billion, an increase of 13.9 per cent or \$3.6 billion from the 1987 level.
- \* Capital spending by reporting manufacturing corporations on new plant and equipment in 1988 is expected to be a little over \$8 billion, a 6.3 per cent increase from 1987. Chemicals, forest products and non-metallic minerals companies show particularly strong spending plans for 1988. Primary metals register a decline.
- \* Spending plans for 1988 of respondents in the non-manufacturing sector are expected to be over \$21 billion, an increase of about 17 per cent from 1987. Areas of substantial growth include oil and gas pipelines, trade, finance and other commercial companies, electric utilities, transportation and storage, and oil and gas companies.
- \* Investment spending in 1988 is projected to increase in all parts of Canada except Prince Edward Island and the Northwest Territories. The regions with particularly strong growth will be the Prairies and Quebec.

- \* Firms in the survey reported, on average, a cost adjustment factor of 3.8 per cent in their capital budgets for 1987 and 4.4 per cent for 1988. Given these factors, real growth in investment in 1988 is expected to be about 9.1 per cent compared to 4.1 per cent in 1987.
- \* For the entire survey period (1986 to 1992) companies reported plans for a total capital expenditure of over \$165 billion.
- \* Capital investment abroad by those 66 firms who reported investment outside Canada in the October/November 1987 survey is expected to increase by 20.5 per cent in 1988.
- \* The spending by domestic majority-owned firms on new plant and equipment in 1988 is anticipated to expand by 13.7 per cent compared to a 14.4 per cent increase expected by foreign firms.
- \* Private firms show an 11.8 per cent increase in capital spending plans for 1988 compared to an 18.8 per cent increase shown by public companies (i.e., crown corporations).
- \* About 64 per cent of the survey panel reported that they expect their profit levels in 1988 to be higher than their 1987 levels. About 13 per cent expect a lower profit performance.
- \* Factors mentioned most often as affecting outlays were expected domestic sales, anticipated cash flow, rates of return, expected sales abroad, government policies and future economic conditions in Canada.

**Table 1**  
**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES**  
**FOR 1986, 1987 and PLANS FOR 1988 -- CANADA**

(Current \$ Millions)

<u>INDUSTRY</u>	<u>Actual Outlay 1986</u>	<u>Estimated Outlay 1987</u>	<u>Intended Outlay 1988</u>	<u>1987/86 % Change</u>	<u>1988/87 % Change</u>
Food & Beverage	465.1	609.4	612.9	31.0	0.5
Forest Products	1677.4	2120.8	2549.8	26.4	20.2
Primary Metals	1098.3	1162.3	893.4	5.8	-23.2
Chemicals	480.5	465.1	603.7	-3.3	29.8
Transportation Equipment	1803.8	1742.2	1798.2	-3.5	3.2
Electrical, Electronic and Machinery	835.6	980.3	1006.4	17.3	2.6
Non-Metallic Minerals	191.7	245.2	285.3	27.9	16.3
Other Manufacturing	273.0	335.5	398.0	22.8	18.6
 Total Manufacturing	 6825.4	 7660.8	 8147.7	 12.2	 6.3
 Mining	 899.0	 929.7	 971.9	 3.4	 4.5
Oil & Gas Companies	4610.8	4239.2	4980.4	-8.1	17.4
Oil & Gas Pipelines	1000.8	916.6	1173.6	-8.5	28.0
Transportation & Storage	1153.6	1374.4	1628.5	19.1	18.4
Communications	2883.8	3470.1	3800.5	20.3	9.5
Electric Utilities	4807.3	5253.8	6306.2	9.2	20.0
Trade, Finance & Other Commercial	1602.7	1850.6	2266.3	15.4	22.4
 Total Non-Manufacturing	 16958.0	 18034.4	 21127.4	 6.3	 17.1
 TOTAL	 23783.4	 25695.2	 29275.1	 8.0	 13.9

\* Only the 294 firms which reported for the years 1986 (actual), 1987 (estimated), and 1988 (intentions), have been included in this table.



Table 2

CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1986, 1987 and PLANS FOR 1988 -- BY PROVINCE/REGION

(Current \$ Millions)

<u>PROVINCE/REGION</u>	<u>Actual Outlay 1986</u>	<u>Estimated Outlay 1987</u>	<u>Intended Outlay 1988</u>	<u>1987/86 % Change</u>	<u>1988/87 % Change</u>
Newfoundland	402.5	370.4	450.3	-8.0	21.5
Prince Edward Island	9.4	6.3	5.4	-33.0	-14.3
Nova Scotia	655.0	598.5	681.9	-8.7	13.9
New Brunswick	470.5	356.6	359.9	-24.3	0.9
Atlantic Region	1686.8	1423.2	1619.0	-15.7	13.7
Quebec	4020.8	4785.0	5840.1	19.0	22.0
Ontario	8828.9	9518.3	9733.4	7.8	2.2
Manitoba	764.1	750.1	884.7	-1.9	17.9
Saskatchewan	955.5	827.0	926.2	-13.5	11.9
Alberta	4452.4	4681.2	5973.5	5.1	27.6
Prairie Region	6454.1	6512.9	8100.2	0.9	24.3
British Columbia	1606.2	2020.5	2148.8	25.7	6.3
Yukon	9.1	8.8	10.4	-3.3	18.1
Northwest Territories	265.9	133.1	91.8	-50.0	-31.1
British Columbia Region	1928.6	2199.3	2289.3	14.0	4.0
Canada	23783.4	25695.2	29275.1	8.0	13.9

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\* Only the 294 firms which reported for the years 1986 (actual), 1987 (estimated), and 1988 (intentions), have been included in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large firms is to provide timely intelligence on corporate capital investment decisions for economic forecasting and departmental policy and planning. The survey panel comprises some 315 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses.

Since these companies are not selected randomly, the overall results of the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investments of a company are allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

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# NEWS RELEASE

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For release

Immediate

Subject

## INCREASED INVESTMENT PLANNED BY CANADIAN BUSINESS

OTTAWA, June 29, 1988 -- Canadian companies plan to increase 1988 capital spending by 27.2 percent over the actual level of investment in 1987, according to the results of a survey released today by Robert R. de Cotret, Minister of Regional Industrial Expansion and Minister of State for Science and Technology. This is the highest projected rate of increase in recent years.

The findings are contained in the attached highlights of the Department's April/May 1988 Survey of Business Capital Investment Intentions of Large Firms. Notwithstanding the stock market events of October, 1987, Canadian businesses expect increased profits and capital spending in 1988. About 60 per cent of the companies surveyed look forward to a higher profit level in 1988 than that experienced in 1987.

Spending in the manufacturing sector shows a projected increase of 19.5 per cent while companies in the non-manufacturing sector expect an advance of 30.5 per cent.

Business investment spending is expected to increase in all regions of Canada. The highest rate of growth is forecast to occur in the Prairie Region followed by British Columbia, the Atlantic Region, Quebec and Ontario.

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## APRIL/MAY 1988 SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on current dollars except where otherwise stated.)

- \* Responding companies indicate that their planned level of spending on new plant and equipment in 1988 is over \$31 billion, an increase of about 27 per cent or \$6.7 billion over their actual investment in 1987.
- \* Capital spending by reporting manufacturing corporations on new plant and equipment in 1988 is expected to be about \$8.6 billion, a 19.5 per cent increase from 1987. Chemicals, forest products, non-metallic minerals and transportation equipment companies show particularly strong spending plans for 1988. Primary metals and metal fabricating firms as well as those in the electrical, electronics and machinery industries are expected to register declines in capital outlays.
- \* 1988 spending plans for respondents in the non-manufacturing sector add up to more than \$22 billion, an increase of 30.5 per cent over actual investment in 1987. Areas of substantial growth include transportation and storage, trade, finance and other commercial services, mining, oil and gas pipelines, and electric utilities.
- \* Investment spending in 1988 is projected to increase in all regions of Canada. New Brunswick is projected to show the strongest growth; at the other extreme, investment in the Yukon is projected to post a small decline.
- \* Firms in the survey reported, on average, a cost adjustment factor of 4.3 per cent in their capital budgets for 1988. Given this factor, real growth in investment in 1988 is projected at about 21.9 per cent.

- \* For the entire survey period (1987 to 1992) companies reported plans for total capital expenditures of over \$164 billion.
- \* Capital investment abroad by those 73 firms which reported investment outside Canada in the April/May 1988 survey is projected to increase by some 43 per cent in 1988.
- \* Spending by Canadian (majority-owned) firms on new plant and equipment in 1988 is anticipated to expand by 27.0 per cent, compared to a 27.7 per cent increase expected by foreign (majority-owned) firms.
- \* Private firms show a 24.8 per cent increase in capital spending plans for 1988, compared to a 33.8 per cent increase reported by public companies (i.e., crown corporations).
- \* About 60 per cent of the survey panel report that they expect their profits in 1988 to be higher than in 1987. About 22 per cent expect a weaker profit performance.
- \* Factors mentioned most often as affecting investment plans, in order of importance, were: expected domestic sales, anticipated cash flow, rates of return, government policies, expected sales abroad, and future economic conditions in Canada.
- \* Firms were asked to assess the impact of the stock market events of October, 1987 on their investment plans. An overwhelming majority (95 per cent) of those firms which responded to the question (228) indicated that these events had not had any effect.

Table 1

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1987 AND PLANS FOR 1988 -- CANADA**

(Current \$ Millions)

<u>INDUSTRY</u>	Actual Outlay <u>1987</u>	Intended Outlay <u>1988</u>	<u>1988/87 % Change</u>
Food & Beverage	590.1	717.3	21.5
Forest Products	2,062.2	2,794.3	35.5
Primary Metals and Metal Fabricating	1,144.4	1,021.4	-10.8
Chemicals	403.9	591.5	46.4
Transportation Equipment	1,691.5	2,097.5	24.0
Electrical, Electronics and Machinery	816.1	768.6	-5.9
Non-Metallic Minerals	181.7	226.4	24.6
Other Manufacturing	334.0	419.1	25.4
<b>Total Manufacturing</b>	<b>7,223.9</b>	<b>8,636.1</b>	<b>19.5</b>
Mining	767.1	1,121.4	46.1
Oil & Gas Companies	4,392.5	5,351.4	21.8
Oil & Gas Pipelines	910.2	1,199.9	31.8
Transportation & Storage	1,355.5	2,221.1	63.8
Communications	3,363.6	3,837.8	14.0
Electric Utilities	4,620.8	6,056.5	31.0
Trade, Finance & Other Commercial	1,772.4	2,634.9	48.6
<b>Total Non-Manufacturing</b>	<b>17,182.1</b>	<b>22,423.0</b>	<b>30.5</b>
<b>TOTAL</b>	<b>24,406.0</b>	<b>31,059.1</b>	<b>27.2</b>

\* Only the 300 firms which reported for the years 1987 (actual) and 1988 (revised intentions) have been included in this table.



Table 2

**CAPITAL EXPENDITURES\* OF SELECTED LARGE COMPANIES  
FOR 1987 AND PLANS FOR 1988 — BY PROVINCE/REGION**

(Current \$ Millions)			
<u>PROVINCE/REGION</u>	<u>Actual Outlay 1987</u>	<u>Intended Outlay 1988</u>	<u>1988/87 % Change</u>
Newfoundland	457.1	466.4	2.0
Prince Edward Island	22.7	25.7	13.2
Nova Scotia	608.9	845.4	38.8
New Brunswick	375.8	610.6	62.4
<b>Atlantic Region</b>	<b>1,547.2</b>	<b>2,027.7</b>	<b>31.0</b>
<b>Quebec</b>	<b>4,622.6</b>	<b>5,994.6</b>	<b>29.6</b>
<b>Ontario</b>	<b>9,177.2</b>	<b>10,154.0</b>	<b>10.6</b>
Manitoba	778.6	936.6	20.2
Saskatchewan	757.0	1,100.9	45.4
Alberta	4,323.2	6,184.8	43.0
<b>Prairie Region</b>	<b>6,083.6</b>	<b>8,546.4</b>	<b>40.4</b>
British Columbia	1,911.5	2,522.8	31.9
Yukon	10.3	10.1	-2.0
Northwest Territories	132.1	170.5	29.0
<b>British Columbia Region</b>	<b>2,081.2</b>	<b>2,770.3</b>	<b>33.1</b>
<b>CANADA</b>	<b>24,406.0</b>	<b>31,059.1</b>	<b>27.2</b>

\* Only the 300 firms which reported for the years 1987 (actual) and 1988 (revised intentions) have been included in this table.

## SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large firms is to provide timely intelligence on corporate capital investment decisions for economic forecasting and departmental policy and planning. The survey panel comprises some 312 large companies that participate on a voluntary basis.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds. The spending plans of these large firms do not necessarily reflect the spending patterns of small businesses.

Since these companies are not selected randomly, the overall results of the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

The total investment of a company is allocated on a "main line of business" basis. For example, all investments of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

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## NEWS RELEASE



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**DRIE MINISTER RELEASES PAPER ON FREE TRADE AND INDUSTRY**

OTTAWA, June 30, 1988 -- Canadian industry will enjoy unparalleled opportunities for growth and development as a result of the Canada-U.S. Free Trade Agreement which takes effect in 1989.

This was the major conclusion of **The Canada-U.S. Free Trade Agreement and Industry**, a paper released today by Robert R. de Cotret, Minister of Regional Industrial Expansion and Minister of State for Science and Technology.

The paper is one of a series prepared by the Government of Canada assessing the effects of the Free Trade Agreement on different sectors of the Canadian economy. A study on the macroeconomic impact of the Agreement, released by the Department of Finance, has already reported that there will be long-term real income gains, benefits for consumers and the creation of new jobs.

"Canadian firms will have more open and more secure access to the world's largest marketplace and the chance to utilize fully the creative talents of Canadians as well as Canada's productive capacity and resources", said Mr. de Cotret.

"To take full advantage of this opportunity," the Minister said on releasing the paper, "we must adapt faster and more quickly to exploit emerging technologies and penetrate changing markets. All partners in the Canadian economy must work together to achieve excellence.

"The new Department of Industry, Science and Technology will act in full partnership with the private sector, the science community and other levels of government to apply knowledge and insight to the emerging opportunities and evolving circumstances of the environment within which Canadian industry will operate."



The Minister continued by noting that his department is conducting, in close cooperation with industry members of each sector, a complete updating of its work on the competitiveness of Canadian industry. The results will be published in approximately 130 profiles of Canadian industries, and these profiles will incorporate assessments of the importance of free trade for each of the affected industries so that Canadians can learn more about and understand the contribution to our future growth and prosperity which free trade will bring.





